

**TENTATIVE ANNUAL REPORT
FISCAL YEAR 2015-2016**

**CONTRA COSTA COUNTY SERVICE AREA M-30
(Alamo Springs)**

June 9, 2015



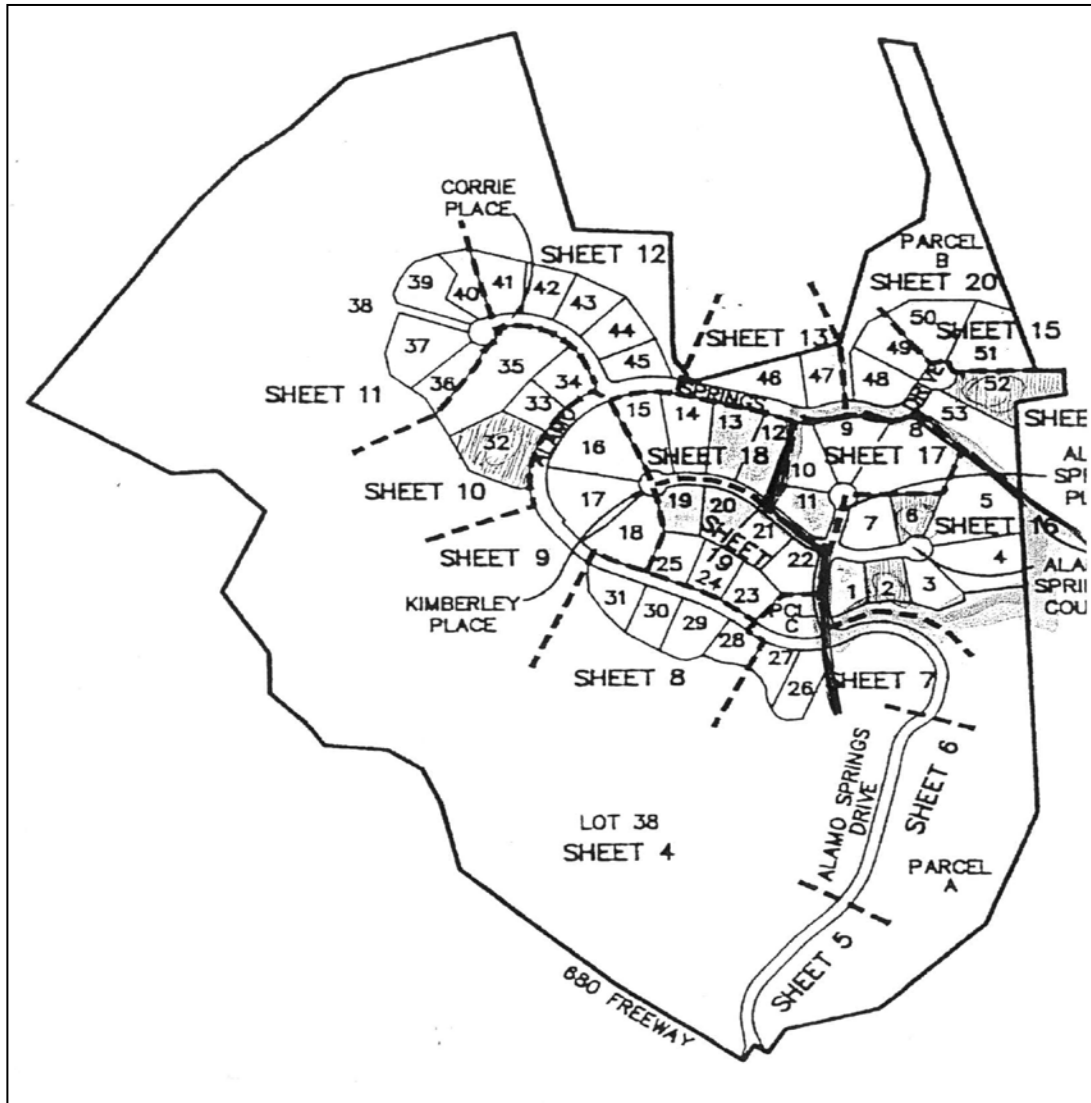
Board of Supervisors

John Gioia, District 1
Candace Andersen, District 2
Mary Piepho, District 3
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Prepared by
**Contra Costa County
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BACKGROUND INFORMATION

In August 1989, the Town of Danville ("Town") and the County of Contra Costa ("County") entered into a Memorandum of Agreement to undertake a joint-jurisdiction General Plan and project review for the Alamo Springs Project ("Project"), which is located north of Interstate 680 off of Alamo Springs Drive. The project provides for the development of 53 single family homes, of which 11 are located within the Town of Danville and 42 remain in the unincorporated portion of Contra Costa County. A map of the general location of this development is shown below:



After certification of an Environmental Impact Report (EIR) for the Project, the Board of Supervisors on December 8, and 15, 1992, approved the Project. The unincorporated area of the Project was simultaneously rezoned to a planned unit development. On January 23, 1996, the Town and County entered into a new Memorandum of Agreement, superseding the August 1989 Memorandum of Agreement, to establish procedures for joint review and approval of the project.

During the planning process, it was decided that the Town would provide extended services in the form of police, public street maintenance, park and roadside landscape maintenance to the

homes in the unincorporated area. Public Street lighting would be provided by Contra Costa County. It was decided that a benefit assessment or service charge collected on the property tax bills via a County Service Area was the best funding mechanism to pay for the increased services.

The services provided by CSA M-30 are:

1. **Police Services.** All of the police services provided to Town residents by Town police, including without limitation, community services, crime prevention, investigation, patrol, and traffic enforcement.
2. **Park and Roadside Landscape Service.** All of the park and roadside landscape services provided to Town residents including without limitation, maintenance of parks and other public facilities, such as the Danville Library and Community Center, and maintenance of all roadside and median landscaping.
3. **Public Street Maintenance.** All of the public street maintenance, including without limitation, repair and replacement of asphalt on public streets, crack sealing and other maintenance measures to protect and prolong the life of the public streets, repair and replacement of street signs, stop signs, etc.
4. **Street Lighting.** The operation, maintenance and servicing of public street lights and appurtenant facilities as required to provide safe lighting along public streets. This maintenance is provided by Contra Costa County.

On September 3, 1997, the Danville Town Council adopted Resolution No. 124-97, requesting that the Contra Costa County Local Agency Formation Commission ("LAFCO") approve formation of County Service Area (CSA) M-30. On November 17, 1997, LAFCO approved the formation of CSA M-30.

On May 5, 1998 the Board of Supervisors conducted a public hearing and subsequently approved Resolution 1998/235 which authorized the annual levy of assessments on the parcels located within CSA M-30 to fund extended public services.

CURRENT ANNUAL ADMINISTRATION

Pursuant to County Ordinance Section 1012-2.6, former County Service Area Law (California Government Code Section 25210.77a), and current County Service Area Law (California Government Code Section 24210.3, subd. (d)), the Tentative Annual Report has been filed with the Clerk of the Board of Supervisors, public notice has been completed as required, and the Board will conduct a Public Hearing and then make a determination on each estimated service charge in the tentative report. Contra Costa Board of Supervisors will review the Tentative Annual Report in accordance with Resolution No. 2015/****, on June 9, 2015, and conduct a Public Hearing in connection with the proceedings for CSA M-30.

Upon adoption of the Final Annual Report by the Board of Supervisors, the charges contained herein will be collected on the property tax roll of Contra Costa County in the same manner, by the same persons, at the same time as, and together with the County's property taxes.

Legal Authority

As required by County Ordinance Section 1012-2.6, former County Service Area Law (California Government Code Section 25210.77a), and current County Service Area Law (California Government Code Section 24210.3, subd. (d)), the Tentative Annual Report includes the following minimum information as shown in the Service Charge Roll:

1. a description of each parcel of real property receiving the miscellaneous extended service;
2. the basic service charge;
3. the estimated amount of the service charge for each parcel for such year; and
4. a parcel list identifying each parcel receiving services that allows parcel owners to find their property on the list and determine the proposed charge.

This annual report also includes the following additional information to allow the reader to better understand what services are being paid for, what is the total annual cost for the services provided, and how the cost of services are spread to each individual parcel:

1. Estimate of Annual Cost; and
2. Method of Apportionment.

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ESTIMATE OF ANNUAL COST

The Fiscal Year 2014-15 projected and Fiscal Year 2015-16 proposed revenues and expenditures are shown in below. A special fund has been set up for the collection of revenues and expenditures for CSA M-30. Incidental expenses including administration, engineering fees, legal fees and all other costs associated with the extended services may also be included.

When CSA M-30 was formed, a financial analysis was performed to provide the framework for an operating budget for the proposed services. This was based on the estimated expenses for each service component (police, parks and roadside landscape, street maintenance, and street lighting). Revenues collected from the benefit assessment or service charge shall be used only for the expenditures represented in this report. Any balance remaining on July 1 at the end of the fiscal year must be carried over to the next fiscal year.

CSA M-30 Alamo Springs-Danville	FY 2014-15	FY 2015-16
Fund 249900 Org 7499	Projected	Proposed
Beginning Fund Balance	\$ 1,638.71	\$ 1,209.10
Revenue:		
Taxes and Assessment	37,700.78	\$41,559.18
TOTAL CURRENT REVENUE	\$ 37,700.78	\$ 41,559.18
Total Revenue + Carryover:	\$ 39,339.49	\$ 42,768.28
Expenditures:		
Publications & Legal Notices	200.00	300.00
Town of Danville /Professional/Specialized Svcs (Non-County)	24,884.97	30,968.28
Transfer to CSA L-100		
Tax & Assessment Fees	281.00	300.00
County Counsel	100.00	200.00
Public Works Labor	5,664.42	6,000.00
Transfers - Gov/Gov	7,000.00	5,000.00
Other		
Total Expenditures	\$ 38,130.39	\$ 42,768.28
FUND BALANCE AVAILABLE	\$ 1,209.10	\$ -

METHOD OF APPORTIONMENT

Special vs. General Benefit

On November 5, 1996 California voters approved Proposition 218 entitled "Right to Vote On Taxes Act" which added Articles XIII C and XIII D to the California Constitution. While its title refers only to taxes, Proposition 218 establishes new procedural requirements for fees, charges and benefit assessments.

These new procedures stipulate that even if charges or benefit assessments are initially exempt from Proposition 218, future increases in the charges or benefit assessments must comply with the provisions of Proposition 218. However, if the increase in the charge or benefit assessment were anticipated in the charge or benefit assessment formula (e.g., consumer price index increase or a predetermined cap) then the increase in the charge or benefit assessment would be in compliance with the intent and provisions of Proposition 218.

Proposition 218 provides that "only special benefits are assessable" and defines a special benefit as a particular and distinct benefit conferred on real property and not a general benefit received by the public at large. The extended public services provided within CSA M-30 are deemed a special benefit and only serve the parcels located within the boundaries of the District. Without the services, the 42 homes located in the unincorporated area would receive standard County police services, limited park and roadside landscape services, limited public street maintenance and no County public street lighting. Standard County police services are characterized by 1.1 officers per 1,000 residents, and traffic enforcement would be provided by the California Highway Patrol on an as requested basis. Therefore the services in CSA M-30 are 100% special benefit to the 42 parcels within the CSA.

Methodology

The total operation and maintenance costs for the extended public services are apportioned in accordance with the methodology that is consistent with standard practices.

Since the service charge is levied on the owners of properties as shown on the tax rolls, the final charges must be assigned by Assessor's Parcel Number. The 42 parcels of the Project that make up CSA M-30 are all designated for residential use. The projects CC&R's require that most parcels be developed with a main residential unit of at least 3,500 square feet. While the parcel sizes vary, they all have substantially the same size building pads. It is anticipated that homes built on these lots will be similar in size and that the size of families who live in these homes will be similar. For these reasons, the need for, and the use of each of the Services (miscellaneous police, park and roadside landscaping maintenance, public street maintenance and County public street lighting) will be substantially the same for each parcel. Therefore, the same service charge will be levied on each developed parcel within CSA M-30. In order for a parcel to be classified as developed, a building permit must be issued prior to April 30.

The methodology for calculating the service charge per parcel for each of the Services is similar.

In Fiscal Year 1997/98 the service charge per parcel was set at \$467.13 per parcel. To determine the cost per parcel, the total budget for providing service to the current total service area was divided by the total number of parcels or units within the current service area. Please refer to

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Contra Costa County Resolution 1998-235 for a detailed report that includes the initial calculation of this service charge.

The maximum service charge may be adjusted annually to reflect the prior year's change in the Consumer Price Index (CPI) for All Urban Consumers for San Francisco-Oakland-San Jose plus two percent (2%). The base CPI index to be used for future calculations is April 1997 (159.6). Any change in the rate per developed parcel, which is the result of the change in the CPI shall not be deemed an increase in the service charge subject to the requirements of Proposition 218.

Rate

For Fiscal Year 2015-16 the allowed maximum rate is \$1,065.62 per developed parcel. This rate has been calculated as follows:

\$1,018.94 per developed parcel in Fiscal Year 2014-15
+2.53% CPI increase for FY 2015-16 = \$1,044.74
+2.00% increase for FY 2015-16 = \$1,065.62

In Fiscal Year 2015-16, it is recommended based upon projected expenditures, that the maximum rate of \$1,065.62 be collected. It is estimated \$41,559.18 in revenue will be needed to provide the services referenced above in Fiscal Year 2015-16. There are 39 parcels that have had a building permit issued. If you divide \$41,559.18 by 39 homes, the service charge per parcel is \$1,065.62.

SERVICE CHARGE ROLL

A list, of those parcels to be charged for Fiscal Year 2015-16, including a description of each parcel to be charged is shown below

Jessi – Table below needs to have header changed to 2015-16..

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Lot Number	Assessor Parcel Number	Added to roll:	Assessment 2014-15
38	197-050-029-2	2008	\$1,065.62
17	197-440-005-1	2000	\$1,065.62
18	197-440-006-9	2002	\$1,065.62
19	197-440-007-7	2004	\$1,065.62
20	197-440-008-5	2004	\$1,065.62
21	197-440-009-3	2001	\$1,065.62
22	197-440-010-1	2001	\$1,065.62
23	197-440-011-9	2002	\$1,065.62
24	197-440-012-7	2013	\$1,065.62
25	197-440-013-5	2013	\$1,065.62
26	197-440-014-3	2014	\$1,065.62
27	197-440-015-0	2013	\$1,065.62
28	197-440-016-8	2013	\$1,065.62
29	197-440-017-6	2015	\$1,065.62
30	197-440-018-4	2013	\$1,065.62
31	197-440-019-2	2014	\$1,065.62
14	197-450-001-7	vacant	\$0.00
15	197-450-002-5	vacant	\$0.00
16	197-450-003-3	2001	\$1,065.62
32	197-450-004-1	2006	\$1,065.62
33	197-450-005-8	2013	\$1,065.62
34	197-450-006-6	2002	\$1,065.62
35	197-450-007-4	vacant	\$0.00
36	197-450-008-2	2014	\$1,065.62
37	197-450-009-0	2014	\$1,065.62
39	197-450-010-8	2001	\$1,065.62
40	197-450-011-6	2000	\$1,065.62
41	197-450-012-4	2001	\$1,065.62
42	197-450-013-2	2008	\$1,065.62
43	197-450-014-0	2001	\$1,065.62
44	197-450-015-7	2002	\$1,065.62
45	197-450-016-5	2001	\$1,065.62
12	197-460-008-0	2003	\$1,065.62
13	197-460-009-8	2003	\$1,065.62
46	197-460-010-6	2001	\$1,065.62
47	197-460-011-4	2015	\$1,065.62
48	197-460-012-2	2001	\$1,065.62
49	197-460-013-0	2001	\$1,065.62
50	197-460-014-8	2014	\$1,065.62
51	197-460-015-5	2001	\$1,065.62
52	197-460-016-3	2006	\$1,065.62
53	197-460-017-1	2001	\$1,065.62
			\$41,559.18